

Vibrancy Study

Life, Activity, and Energy in
Brookline's Commercial Areas



JFK Area patrons dining on Harvard Street

**Brookline Economic Development Division
Commercial Vibrancy Study Committee**

June 2014

Table of Contents:

Section 1: EXECUTIVE SUMMARY	3
• Doing Well, Looking to Improve	3
• Study Scope.....	3
Section 2: BROOKLINE IS VIBRANT.....	7
• What is Vibrancy?	7
• What Makes Brookline Vibrant?	7
• Measuring Vibrancy	10
Section 3: WHAT WE HEARD FROM THE COMMUNITY	13
Section 4: PUBLIC SPACES	15
Section 5: BROOKLINE RESIDENTS	17
Section 6: RETAIL IS DIFFICULT.....	22
• Navigating a Changing Landscape.....	22
• Retail in Brookline Compared to Regional Trends.....	22
• Parking	24
• Services Replacing Retail.....	25
Section 7: OFFICE & MEDICAL OFFICE	26
Section 8: LEISURE & HOSPITALITY	28
Section 9: IMPLEMENTATION STRATEGIES	30

SECTION 1: Executive Summary

Doing Well, Looking to Improve

Vibrant commercial areas are important for the Town of Brookline for three key reasons: the independent retail nature of these commercial areas defines the character for the town as a whole; the vacancy rates and economic health of the commercial properties have a direct impact on surrounding property values; and the stores and services in close proximity to residents provide residents with a high quality of life. At the request of local area merchants, the Economic Development Advisory Board (EDAB) agreed at its April 2012 meeting to undertake a study of “commercial vibrancy,” including reviewing existing conditions and researching what factors make commercial areas in other communities vibrant, as well as understanding the needs of residents, commercial property owners, retailers and other stakeholders in Brookline’s major commercial areas. The study was completed by EDAB Co-Chairs Anne Meyers and Paul Saner, business owner and Brookline resident David Leschinsky of Eureka! Puzzles and Games, and Economic Development staff Kara Brewton and Andy Martineau.

Using basic indicators such as low vacancy rates, a high percentage of independent retailers, overall appearance of our commercial areas, and our regional reputation, we conclude that **Brookline’s commercial areas are vibrant and healthy as a whole. However, there is room for improvement:**

- 1) Residents and businesses would like to see our public spaces become more active through partnerships and programming. Community leaders outside of Town Hall will explore a monthly series of events as well as a large, Town-wide event with a regional draw. The Town will leverage its limited staff and funding, prioritizing assistance to those events that are led and primarily financed from private sources.
- 2) From 2004 to 2012, we have lost 10% of our retail stores. A Coolidge Corner Consumer Survey was completed towards the end of this study indicating that the vast majority of current customers continue to come as least as often, if not more, than they have in the past few years. However, the survey results also indicate parking availability and meter time limits are an issue for a significant portion of customers. In addition to making parking easier for customers, the committee is further recommending that staff complete a business database for the town and that business associations form a commercial property owner network and create business directories and related marketing materials.
- 3) The Brookline health care industry continues to grow, but many of the buildings that will accommodate this growth are not adjacent to our core commercial areas. Economic Development staff will identify locations appropriate for health care-oriented uses in order to add more daytime employees adjacent to our commercial areas.
- 4) Our leisure and hospitality industry continues to rise, but our knowledge of visitor demographics and whether visitors have adequate information about shopping opportunities is only anecdotal. The Economic Development Division will improve the Town’s visitor website and work with our business associations to better communicate with our visitors.

Study Scope

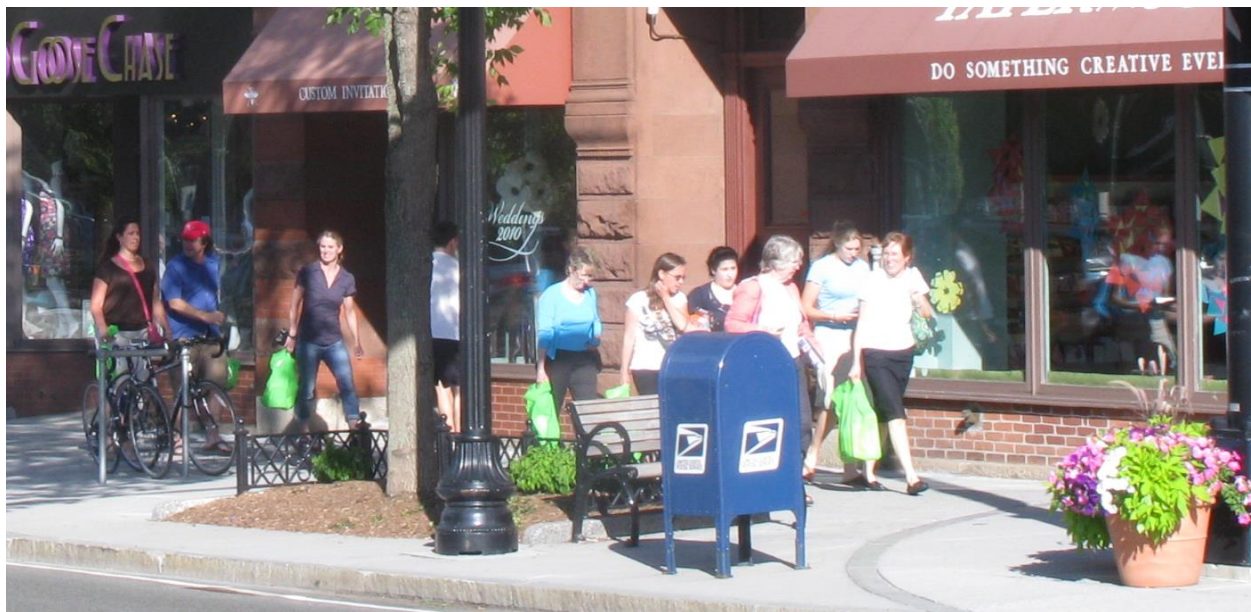
The goal of this study was to identify opportunities that might enhance “main street” commercial vibrancy. Vibrancy as it relates to foot traffic is a hot topic of late in the national media, perhaps due to systemic factors like internet shopping and changing demographics. As the retail environment continues to change in ways that are not always predictable, it is paramount that we create solutions that ensure our commercial areas remain viable, attractive places for existing and future businesses to flourish. Conversation topics during our outreach included the mix of business types; destination draws; use of public space, entertainment and tourism; parking; promotion; branding, and Town policies and practices.

Outreach and public discussion during the study included:

- Feedback from five Brookline commercial property owners (interviewed in June 2012)

- Site visits to nearby municipalities considered vibrant by Brookline residents and business owners (Northampton, MA; Portsmouth, NH; Burlington, VT; Centre Street, Jamaica Plain; Davis Square, Somerville). The study group also conducted extensive interviews with town officials, residents, business owners, business associations, and arts groups in Northampton, Portsmouth, and Centre Street.
- Brookline Neighborhood Association Meetings:
 - Coolidge Corner SouthSide and North Brookline, April 2012
 - Aspinwall Hill, Salisbury Road-Corey Farm, Washington Square, Corey Hill, and Griggs Park, October 2012
 - Brookline Neighborhood Alliance, January 2013
 - Boylston Street, Brington Road, Central Village, Emerson Garden, Greater Point, High Street Hill, Riverway Island, White Place, April 2014
- Business Forum including merchants, property owners, Chamber of Commerce and EDAB to prioritize short-and long-term goals based on research to date, May 2013
- Coolidge Corner Open Space site visit and discussion, including Parks and Open Space Director Erin Chute Gallentine, residents and resident/business owners, September 2013
- On-going discussions at EDAB and merchant association meetings

These discussions were augmented with research primarily using data from the Massachusetts Department of Labor, the 2012 Retail MarketPlace Profile for Brookline¹, Census data, the 2014 Coolidge Corner Consumer Survey, and the Economic Division's storefront Vacancy Surveys from September 2012 and October 2013.



Shoppers on Beacon Street

¹ Environmental Systems Research Institute (ESRI) and Dun & Bradstreet

Each of Brookline's commercial areas is adjacent to, or part of, a charming and varied residential neighborhood. Brookline's largest commercial centers also benefit from their proximity to public transit, providing a means of access that many communities do not have.

Coolidge Corner is centered on the major public transit intersection of the MBTA Green "C" Line and the 66 bus route, and has activity anchors including the Coolidge Corner Theatre, Brookline Booksmith, Trader Joe's, and the Coolidge Corner Library. This major commercial area hosts events with large draws including the Brookline Farmers' Market and the Coolidge Corner Arts Festival. Just north of Coolidge Corner is JFK Crossing, aptly named for the nearby National Park Service site of the birthplace of John Fitzgerald Kennedy, and regionally recognized for its cluster of shopping and dining specialties for the Jewish community. South of Coolidge Corner, Brookline Village is known for its casual, family-friendly feel, with clusters of wellness providers, eclectic restaurants, children's retailers, and entertainment anchor Puppet Showplace Theatre. Smaller neighborhood commercial areas also have regional draws: Washington Square has recently become a restaurant hot-spot and host of the annual Wagathon dog-day event; St. Mary's Station has the Brookline Arts Center, restaurants and bakeries with a regional following, and is a regular pre-game stop for Red Sox fans; Putterham Circle has regional draw for its bakery; and Chestnut Hill for its popular restaurants.

Map of Brookline Commercial & Residential Neighborhoods

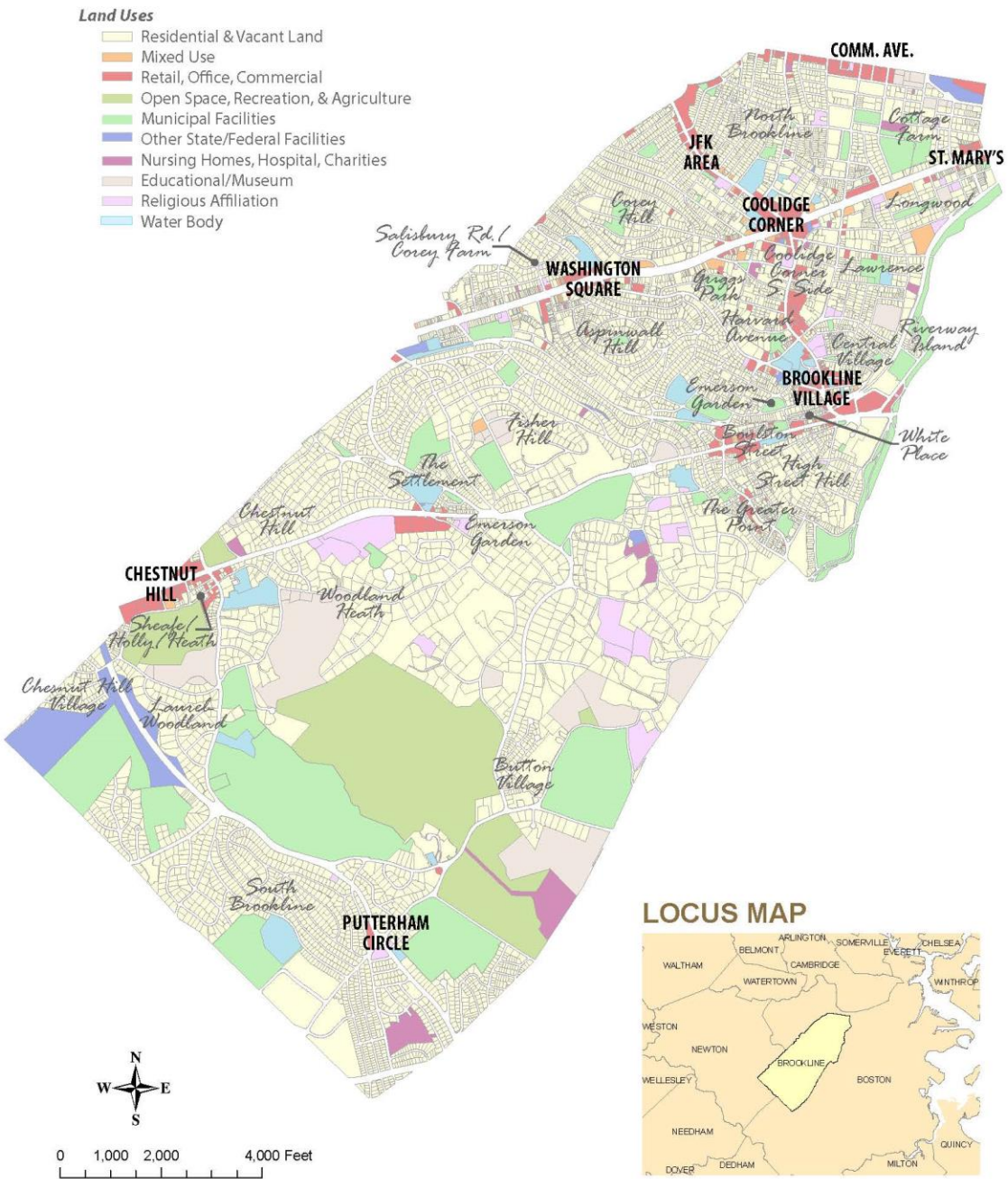


Figure 1-1 Commercial and Residential Areas Map

SECTION 2: Brookline IS Vibrant

What is Vibrancy?

The word “vibrancy” is defined by Merriam-Webster’s Dictionary as “having or showing great life, activity, and energy.” There are two connotations in this definition: valuing special, temporary, or constantly changing as good attributes; and valuing sameness, quietness, or stagnancy as disadvantages. In Brookline, some of our oldest businesses and traditions are those that are the most loved by residents, businesses, and visitors. Many residents and businesses have also talked with us about a desire for public spaces in our commercial areas to feel tucked away, where one can take a break from the urban hustle and bustle. For the purposes of this report, in Brookline we value “great life” to include access to services for a wide range of demographics, and “energy,” to include the quiet as well as the celebratory.

Other metrics sometimes used to measure vibrancy include Walkability Scores,² which are closed algorithms that assign scores to places based on the percentage of errands that can be done on foot. A “walk score” values how close together a variety of places are where you can eat, shop, find entertainment and, use government services such as schools and libraries, as well as access public transit. However, when places like Jamaica Plain and Flutie Pass in Framingham (the road between Shopper’s World and the Natick Mall), have the same scores, this suggests that this metric alone can neither be used to describe how vibrant a place is, nor describe the different qualities and characteristics one experiences while there.

Fred Kent, President of The Project for Public Spaces, recently stated³ that you can measure the quality of a public space based on the number of smiles and kisses within that space... that you know it when you see it. Groups such as the James L. Knight Foundation, which helps cities and towns by surveying residents and seeing how attached to a community they feel, have found that nationwide, there is a high correlation between attachment and growth in local Gross Domestic Product, social capital and civic participation.⁴ Some communities measure vibrancy via the bottom financial line: jobs, tax growth, and revenues. Urban planning studies usually focus on case studies, methods for public participation and process, and then append a long list of potential metrics, many of which are still qualitative, such as “quality of the streetscape and building facades.” This study sought to examine vibrancy in Brookline from all of those angles and more.

What Makes Brookline Vibrant?

Many of our site visits began with our host communities telling us that they strive to be like Coolidge Corner. Additionally, the Massachusetts Downtown Initiative, a State-administered program that provides technical assistance to communities across the Commonwealth, regularly features Coolidge Corner as an example of a commercial area with the right retail mix for a healthy local economy.

²www.walkscore.com

³ Places in the Making: How placemaking builds places and communities, October 22, 2013, MIT

⁴www.soulofthecommunity.org



Where many communities have watched their commercial areas transition to predominately chain stores and expansive “life-style centers,” offering many of the same brands and product offerings, Brookline remains an outlier as hundreds of independent shopkeepers continue to call Brookline home. Many of our local shops offer a variety of goods not found on the internet or on the shelves of large national retailers; these independent shops and restaurants occupy a staggering 71% of our first-floor storefronts⁵.

Whereas many downtowns’ first-floor storefronts are now dominated by restaurants and bars, Brookline’s dining establishments are interspersed among shops and service providers. Our independent shops are supplemented by a variety of service uses, which diversifies our commercial base while enhancing the functionality of our commercial areas. Residents and visitors alike enjoy the close proximity of places to socialize while they eat, shop, and seek entertainment, as well as the easy access to life’s daily necessities.

In addition to a high percentage of independent storefronts, the vitality of Brookline’s commercial areas is apparent in the level of involvement of dedicated shopkeepers and residents who are always bringing new ideas and initiatives to the table. Many of our residents and business owners have organized community events that are grass-roots, low-cost and simple, while serving to build their brand. For example, 75% of the thousands who visit Brookline Open Studios spend money at Brookline restaurants or retailers every year⁶. The volunteer-led Coolidge Corner Arts Festival has operated for 36 years, bringing approximately 4,000-5,000 people to the commercial area on a single Saturday every year⁷. Since the beginning this study,

We care very much about the vibrancy of Brookline. We see ourselves as an incubator for smaller businesses that start up and eventually move on to other locations. We often see chain stores with great credit, but they come and go more often and are more willing to pay for an empty storefront and pack up before their lease is finished. We do not prefer chain stores to independents, but need to have a mix of both within our portfolio.

—Multi-generation Brookline resident & commercial property owner

Getting it Done all in One Place

“Coolidge Corner - the place to get s[tuff] done!”

This exclamation was proudly tweeted one day by someone who lives and works in two different Boston neighborhoods, but prefers to run his errands and shop in Coolidge Corner. When we followed up with him, we found out he likes coming to Brookline when he has a string of errands to do (retail shopping, dry cleaning, grocery shopping, and a business lunch). He feels the mix of shops is interesting and more complete in one location than other areas of Boston. Coolidge Corner works like a regional retail shopping center without the feeling of “anywhere USA” that you get at a single-owner shopping center.

—Boston resident & employee

⁵ 2013 Economic Development Storefront Vacancy Study

⁶ 2011 Event Survey by Gwen Ossenfort, Past Director of Brookline Open Studios

⁷ Estimated count from Brookline Economic Development Division, June 7, 2014

Measuring Vibrancy

Measuring vibrancy in commercial areas is difficult. In Brookline, we assess the health of our commercial areas in ways that reflect the values of our residents and businesses:

VACANCIES & UNDERUTILIZED PROPERTIES: Clearly, the lower the vacancy rate, the better. Brookline's 6.3% storefront vacancy rate in 2013 tells us that we are slightly (1%) higher than the year before, but still lower than the 7.1% we saw in 2009, at the height of the recession.

OVERALL MIX OF BUSINESSES: We also keep track of the percentage of independents and retail/restaurant/service mix, although we hear a wide range of opinions of what our targets should be, if any. More importantly, this annual data collection would help us see any sudden shift in the character of our commercial areas. We also use this data as a point of departure for community discussions. Since 2009, the mix of storefronts as retail/restaurant/service has been fairly steady, and in 2013 was approximately 20% retailers, 24% restaurants, and 56% service uses.



Figure 2-1 Mix of First-Floor Storefront Business Types, 2009 to 2013

HEALTH OF EXISTING BUSINESSES: The percentage of our store fronts as retail businesses has remained relatively flat, declining only 1.3% since 2009¹⁰. However, as explained later in this report, state data shows a 10% decline in the number of retail businesses from 2004 to 2012, almost twice the loss rate as our region¹¹. Our hotel and meals tax revenue is an indicator of health for our accommodations and food service industries, as well as an important \$2 million revenue source for the Town. As shown in the

Sometimes I think people don't get it. They tell me they are so glad there is a restaurant like mine in their neighborhood, but then I see them walk by the next day with a Starbucks coffee cup. Don't they understand that every Starbucks cup I see is a punch to the stomach? Would they really care if I weren't open anymore?

—Brookline Village resident & business owner

¹⁰ 2009 to 2013 Brookline Storefront Vacancy Report

¹¹ MA Department of Labor Statistics

following charts, our lodging excise tax continues to rise over the long-term, but our meals tax is relatively flat.¹² After beginning this study, we also began to keep track of the meals tax revenue per restaurant and lodging excise tax revenue per room to better understand the average health of businesses in these sectors. While lodging tax per room continues to steadily grow, the meals tax per restaurant may indicate that Brookline has reached a saturation point with regards to the total number of restaurants that the current residents and daytime population can support.

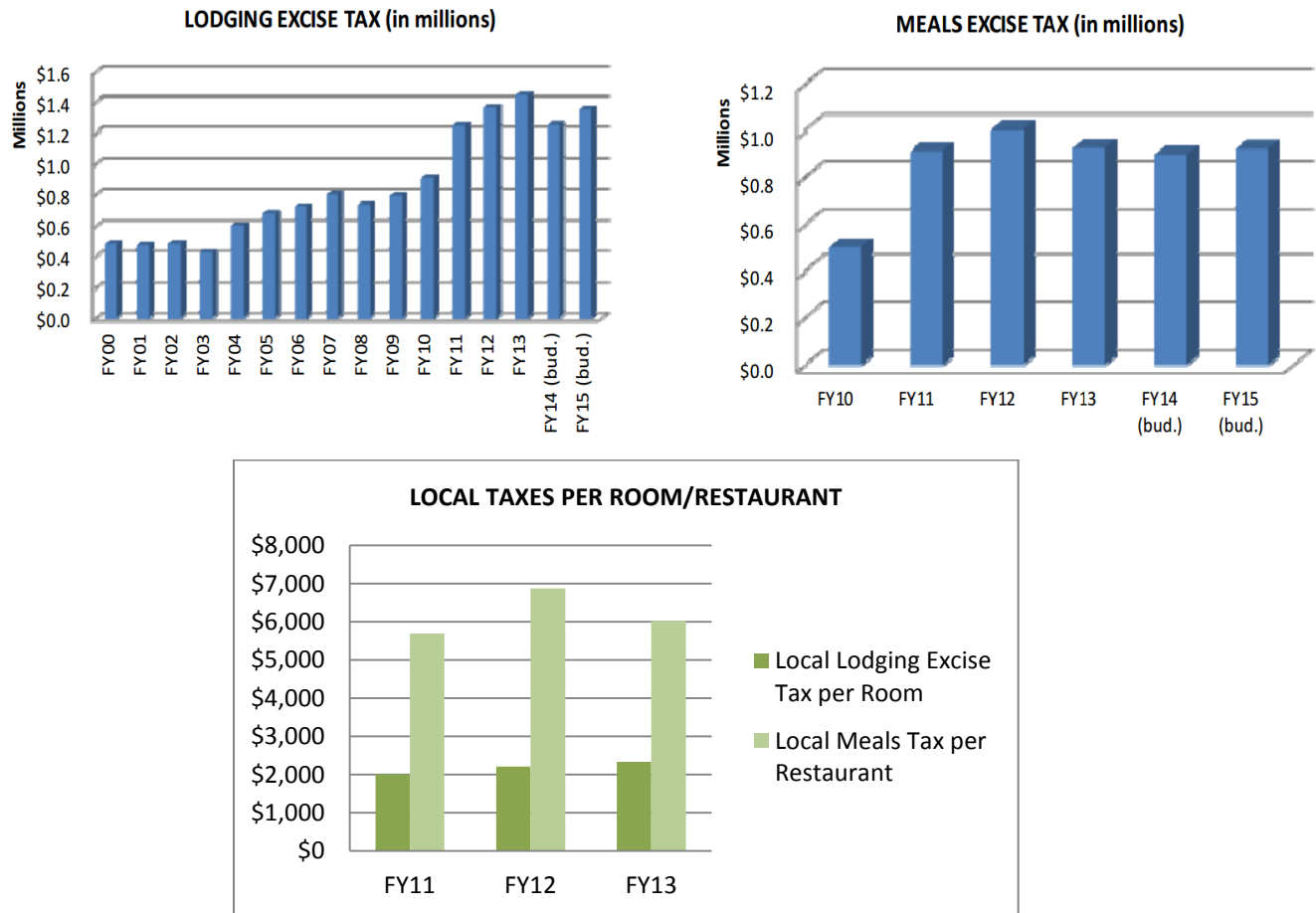


Figure 2-2 Lodging & Meals Tax as Healthy Business Indicators

¹² Town of Brookline FY15 Financial Plan

REGIONAL REPUTATION: We keep track of our commercial areas' reputation based on reports in the media, and from residents, business owners, property owners, employees, and professional peers. Throughout this report, you will see quotes from all of these points of view.

This data indicates Brookline's commercial areas are vibrant, especially with regard to our overall vacancy rates and hotel industry. However, as we will discuss, we are concerned about our retailers' reports of a sharp decline in foot traffic and individual sales numbers over this past year combined with state data indicating our retail industry has performed worse than our region since 2004. Additionally, the local meals tax per restaurant data makes us cautious about how many more well-performing restaurants our local economy can support.

All is Well in the Village

"We hear how Brookline Village used to be full of quirky antique shops that people liked to peruse and wander through. We have to celebrate what we have today. In the Village, it's a wonderful mix of alternative health, yoga and health studios, massage therapists, etc. The huge turnout we saw at the Wellness in the Village event showed us how to band together and be a regional attraction for a new type of business cluster in the Village."

—Brookline Village business owner

Why Are You Asking Us?

"We would love to be as vibrant as Coolidge Corner, and are so surprised to find you looking to us for ideas! We have some great town-funded events thanks to a very active Chamber of Commerce, but what our residents really need is a bank and a pharmacy - not just tourist-based retailers."

—Portsmouth, NH resident & business owner

SECTION 3: WHAT WE HEARD FROM THE COMMUNITY

From the numerous site visits and interviews with stakeholders in other communities, the Study Committee distilled several factors that contribute to the vibrancy of Brookline's commercial areas. These ideas were presented during a joint meeting between the Brookline Neighborhood Alliance (BNA) and the Economic Development Advisory Board (EDAB) in January 2013, as well as during a business forum in May 2013. Both meetings included residents and businesses and commercial property owners, all of whom were invited to give their perspectives on the vitality of our commercial areas.

During the joint BNA/EDAB meeting, participants referenced many of the things they enjoy about Brookline's commercial areas as well as things that could be improved. The word cloud below (Figure 3-1) depicts the variety of items mentioned during the meeting, many of which reflect the Study Committee's findings with regards to the components of a vibrant commercial center. The larger, bolder words were said more frequently either as a concern or something people wanted to see more of – in other words, important topics.

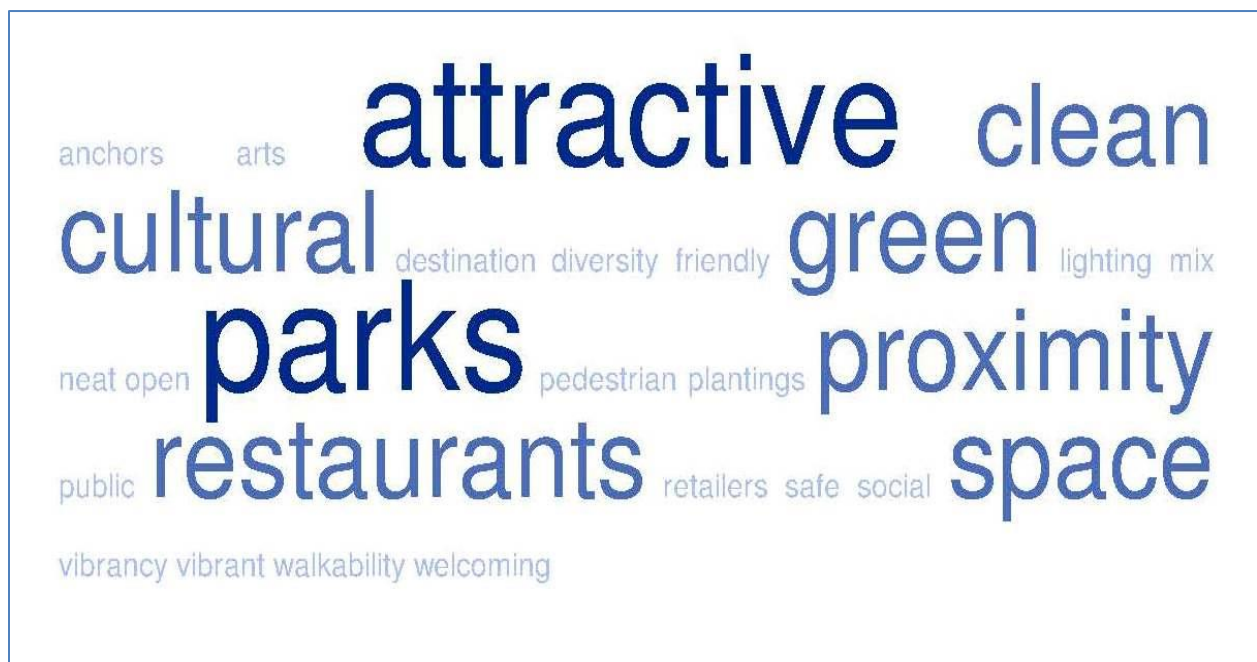


Figure 3-1: Word Cloud from January 2013 EDAB/ Brookline Neighborhood Alliance Meeting

In May 2013, the Study Committee hosted a business forum to present their preliminary findings. The Study Committee also wanted to help those engaged in implementing next steps to prioritize short and long term initiatives as well as to form working groups to carry out specific tasks going forward. The following items were identified and corresponding working groups created as a result of this meeting:

1. Events

Host events more frequently and consistently publicizing them with regular media releases of upcoming events across all commercial areas.

2. Open Space

Identify spaces and targeted methods for improving existing street furniture as well as designs for more substantial changes to public spaces in the future.

3. Community Group Staffing

Identify additional resources for expanding volunteer capacity to orchestrate events in commercial areas.

4. Wayfinding

Improve signage for cultural and institutional anchors as well as create a centralized business directory for each commercial area.

5. Commercial Mix

Start a commercial property owner organization for exchanging ideas and information between residents, businesses and property owners in order to maintain the perception that our commercial areas are good places in which to shop.

SECTION 4: PUBLIC SPACES

The Study Committee identified early in the process the important role public spaces play in enhancing the overall vibrancy of a commercial area. Attractive, well-designed, multi-use spaces were a common theme in many of our site visits during which the Committee observed spaces that provide a place to meet for morning coffee, a spot to enjoy a quick lunch outside the office, and a performance venue for artists and musicians in the evening. Inviting public spaces are a critical component to vibrancy because they are the face of a commercial area.

If patrons come to a commercial area because of a particular shop or destination draw, public spaces can serve either as an incentive to stay or a reason not to return. With that in mind, Committee members, residents and staff have been hard at work improving our existing public spaces, making them cleaner, greener and more inviting. The most notable example of these efforts is the recent changes to regulate and remove unsightly news boxes. These changes are the result of citizen activism (thanks to Town Meeting Member Jean Stringham and former Selectman Richard Benka) and have produced noticeable results in the form of less trash and graffiti in some of our most heavily traveled areas.

Every Day Experience Matters

When you walk in this area every day as a resident, things like graffiti, cigarette butts, gum on the sidewalks, and storefronts that have been vacant for years are extremely frustrating! Why are we talking about “more” benches if we can’t take care of what we have?

—Coolidge Corner resident

Economic Development staff have also begun collaborating with the Parks and Open Space Division of the Department of Public Works, residents, and shopkeepers to survey high traffic public spaces that are well maintained, but underutilized¹³. Efforts to address underutilized public spaces stem from the desire to identify design elements and programming to enhance their aesthetics, utility and connectivity with the surrounding areas. Well designed, well programmed public spaces that are integrated with their surroundings can define a commercial area’s sense of place by creating an active and inviting streetscape.



Pocket park at the corner of Pleasant and Beacon Streets (Coolidge Corner)

While Brookline has many public spaces in its core commercial areas, the Committee’s examination of the issue revealed that there is a demand to create one or more public spaces that can serve as a performance venue. Spaces used for music and theatrical performances were abundant in the Committee’s site visits, and the need is growing in Brookline as commercial areas continue to organize more community events. Public spaces with the right programming add value to commercial areas beyond entertaining patrons; they help foster an image that a commercial area is “happening.” Programming for public spaces is a low-cost, high-return investment that often requires very few physical changes to transform a space from overlooked to destination draw.

¹³ <http://www.brooklinema.gov/DocumentCenter/Home/View/435>

Responsibility for Maintenance

The Parks and Open Space Division does an excellent job maintaining our public spaces throughout town. However, residents and shop owners have expressed interest in having more container plantings, benches and tables. In some instances, materials and spaces could be sponsored by residents and shopkeepers. All of the above would inevitably require more maintenance and upkeep, and would necessitate some form of public-private maintenance plan to ensure any improvements do not fall into disrepair.

Shopkeeper

After a recent trip to England, we were struck by the difference of calling a store owner a “shopkeeper” rather than a “merchant.” We already have many businesses that have been here a long time and are proud of their storefronts. “Shopkeeper” seems to have a connotation of being here longer term, caring more about the upkeep in front of one’s store, and being an integral part of the community.

—Town Meeting Member

SECTION 5: BROOKLINE RESIDENTS

There is much to be learned from Brookline's demographics, and how those factors relate to issues such as commercial mix, shopping habits, and the extent to which our commercial areas appeal to resident-customers. Understanding this data and making necessary adjustments will be paramount for the Town as well as for shop owners to ensure that the latter are meeting the needs of their existing customer base and beyond.

When we look at our 58,732 residents by age in the chart below, we see that as of 2010, our largest age bracket is the 20 to 29 year olds¹⁴. Although overall there is a 55/45 ratio of females to males, this gap becomes even more pronounced in our young adults where 59% of the 20 to 29 year old Brookline residents are females. Related to commercial vibrancy, we looked deeper into our census data to help our shops, services, and restaurants better understand the demographics of the majority of our residents. The resulting information was surprising to staff and leads to even more questions.

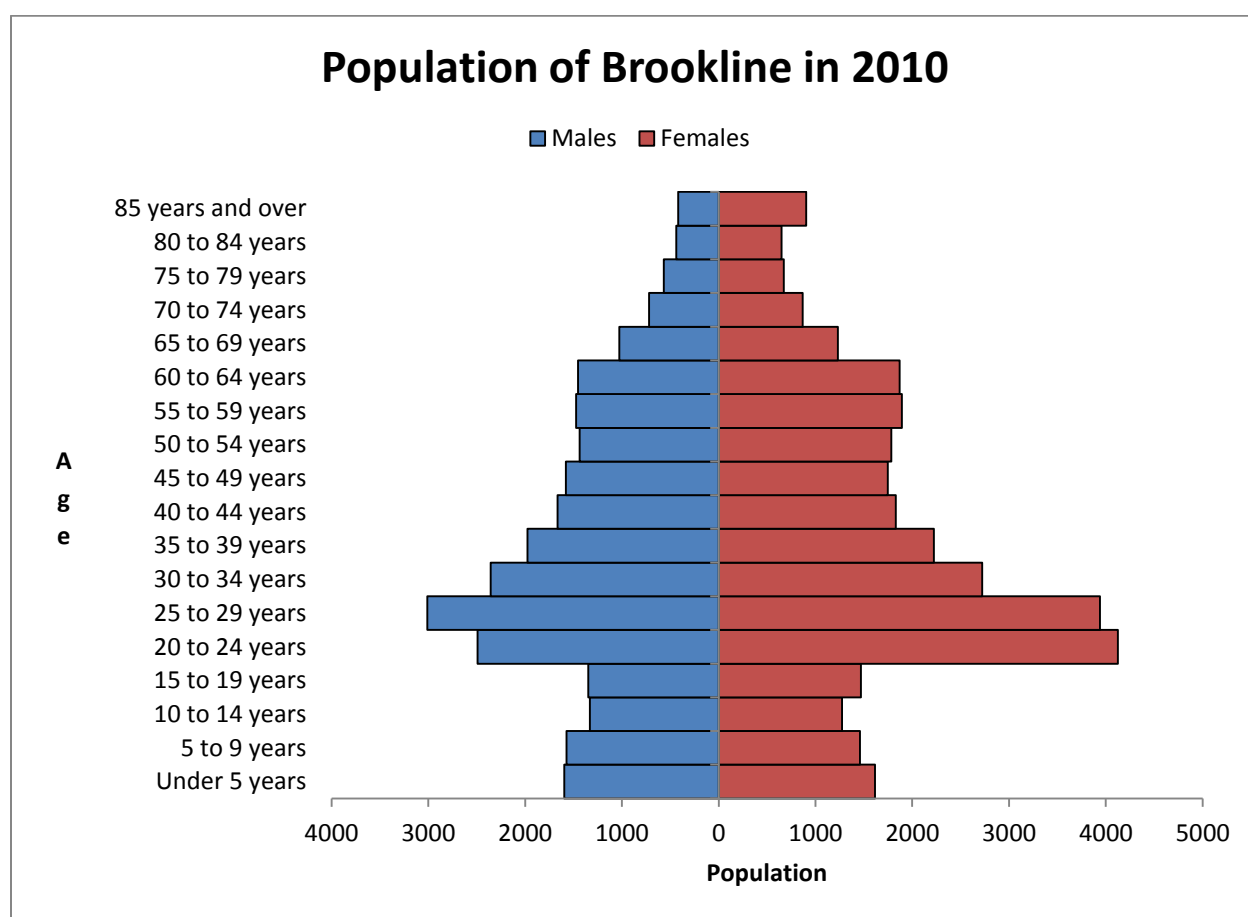


Figure 5-1: Age Demographics of all Brookline Residents, Census 2010

¹⁴ DP-1 Profile of General Population and 2010 Demographic Profile Data, Census

Brookline Adults are Working and Commuting

In 2010, 69% of residents over the age of 16 were employed¹⁵. Of those over the age of 16 who were employed, 42% of them were in the educational services and health care/social assistance industry, and only 8% work at home. Additionally, approximately 60% of residents that commute to a worksite do so by means other than driving alone (public transit, walking, taxi, carpool, and bicycle). Therefore, if our businesses' target is the large segment of non-auto commuters that use transit and/or bike in our commercial areas, we would be capturing a significant portion of our adult residents and a lot of potential customers.



Eureka Puzzles Owner, David Leschinsky demonstrating toys during First Light Festival 2012

Of residents in the labor force that have children under 6 years old, 66% of them report having all parents in the family in the labor force, and of those that have children 6-17 years of age, 76% report having all parents in the family in the labor force. This information suggests that businesses primarily serving households with children may want to consider operating hours beyond the typical workday or offer more social activities to incentivize shopping in Brookline relative to nearby shopping centers.

Shopping is Social

Shopping has evolved to become a social activity; it's no longer just about making a purchase, it's also about the experience.

- Brookline resident and Coolidge Corner business owner

A Majority of our Households Moved Here in the Last 10 Years

61% of our households have moved here in the last ten years, and 42% have moved here in the last five years¹⁶. A majority of the heads of households who have moved here in the last five years are under 35 years old and are six times more likely to rent than to own their home. Our businesses already know that they have to constantly market themselves to be successful; however, they would benefit from a better understanding of how to reach Brookline's steady influx of new residents and their needs. The chart below compares

¹⁵ 2008-2010 American Community Survey 3-Year Estimates, US Census, Table DP-3

¹⁶ 2005-2010 American Community Survey 5-Year Estimates, US Census, Table B25128

Brookline to nearby communities with regards to household tenure (years they have lived in their home). Brookline tends to have a residential population more similar to Jamaica Plain than Newton in terms of tenure.

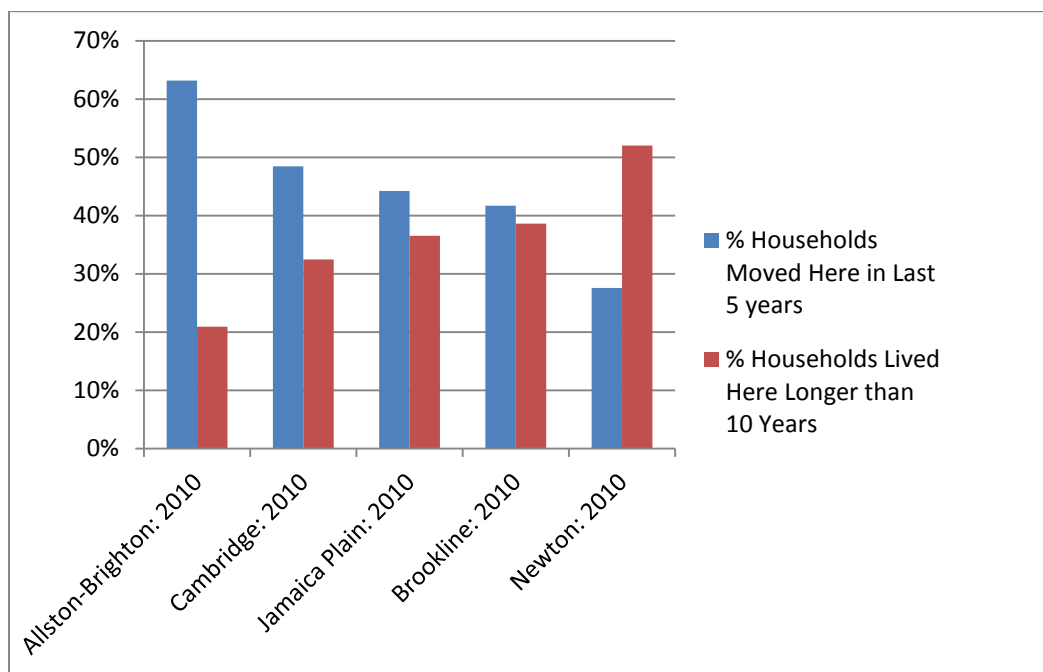


Figure 5-2 Brookline household tenure compared to nearby communities, Census 2010

Further research is needed to better understand the people who are living here for a short time: the reasons why people choose to move to Brookline, as well as what factors cause them to move elsewhere. This information could also help the Town better understand how to encourage civic participation among new residents and how to integrate them into the fabric of their new community. Economic Development staff experiences a large number of new residents asking basic informational at community events like Brookline Day and the Walking Tours program¹⁷. Educating new residents about the various active community groups and organizations in Brookline is one way for residents (new and old) to plug in to different events and on-going initiatives happening in the community. The James L. Knight Foundation teamed up with Gallup to launch the “Knight Soul of the Community” project and, after interviewing 43,000 people in 26 communities, found the three main qualities that attach people to place are social offerings (entertainment venues and places to meet), openness (how welcoming a place is), and the area’s aesthetics (its physical beauty and green spaces)¹⁸.

On Main Streets Programs

I guess the City [of Boston] pays for balloons for the main streets program, but what really makes Jamaica Plain is all the adjacent advocacy resident groups that care about their neighborhood. Whether it's the arts or caring for the poor, that's what makes a community.

—Jamaica Plain business owner

Distribution of Wealth

Although the average household income for Brookline suggests we are a wealthy community, a 2012 report issued by the Brookline Community Foundation found that wealth distribution has become increasingly disproportionate. From 2000 to 2010, the number of households making less than \$15,000 or more than \$100,000 increased, while the number of those in middle income categories declined¹⁹. We also know that as

¹⁷ www.brooklinema.gov/walking

¹⁸ Knight Soul of the Community Overall Report, November 2010

¹⁹ Understanding Brookline, Emerging Trends and Changing Needs, A Report from the Brookline Community Foundation, pgs. 11-14

of 2012, 41% of our households are spending more than 30% on housing costs²⁰. This suggests that there may be demand for both specialty stores as well as stores offering a wider range of goods and price points. Further research is needed via customer intercept surveys and focus groups to better understand how income distribution relates to retail demand and customers' needs.

Brookline Buying Power

We know that town-wide the median family income is approximately \$150,000²¹. As described earlier, we can distill some general demographic characteristics by looking at census data. However, until we look at more in-depth market research, we don't know how much of a household's income is available to be spent on shops, restaurants, and services. Companies such as Dun & Bradstreet aggregate actual sales reported in each municipality, and combine that information with income/expense data for households and regional trends in the types of products or services to which people are likely to apply their "buying power."

In 2012, Brookline residents had an estimated median household disposable income of \$72,456²². The total Brookline, non-food retail demand was \$1.1 billion in 2012. However, Brookline retail sales were considerably less than half of that at \$405 million. A surplus of retail demand compared to sales within an industry sector is referred to as a "leakage" of opportunity. For example, the retail demand for clothing stores was \$66.4 million in 2012, but our stores only captured \$15.6 million of that demand. Leakage of retail opportunity tells us that, on average, Brookline residents are spending more money outside of Brookline (including internet sales) than within. Given the available buying power and the large leakage shown in the two charts below in almost all retail sectors, businesses should explore incentives for people who already live here to make more of their purchases here rather than online or outside of the community.

²⁰ Table B25106, Tenure by Housing Costs, 2010-2012 American Community Survey

²¹ US Census 2009-2011 American Community Survey 3-Year Estimates, Table B19119

²² 2012 Retail MarketPlace Profile data from ESRI and Dun & Bradstreet

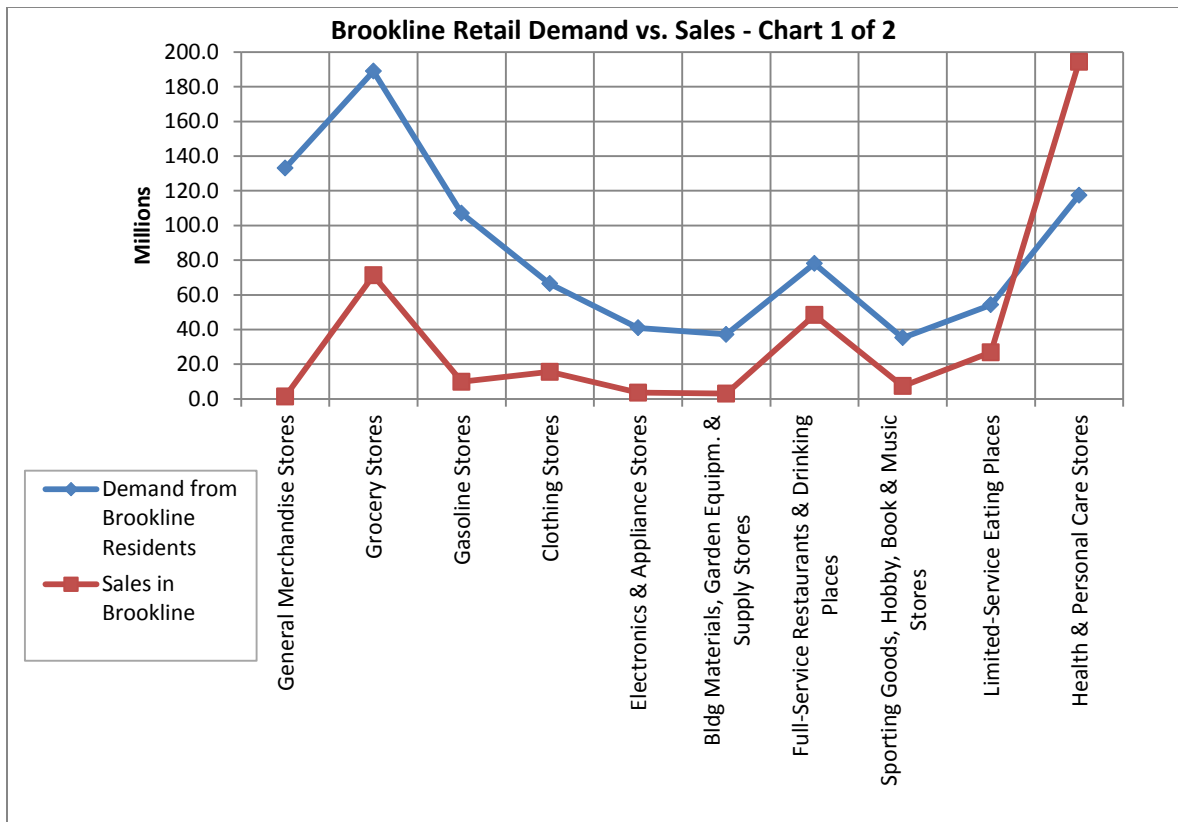


Figure 5-3a , Leakage and Surplus of Brookline Retail Sales, 2012, ESRI and Dun & Bradstreet

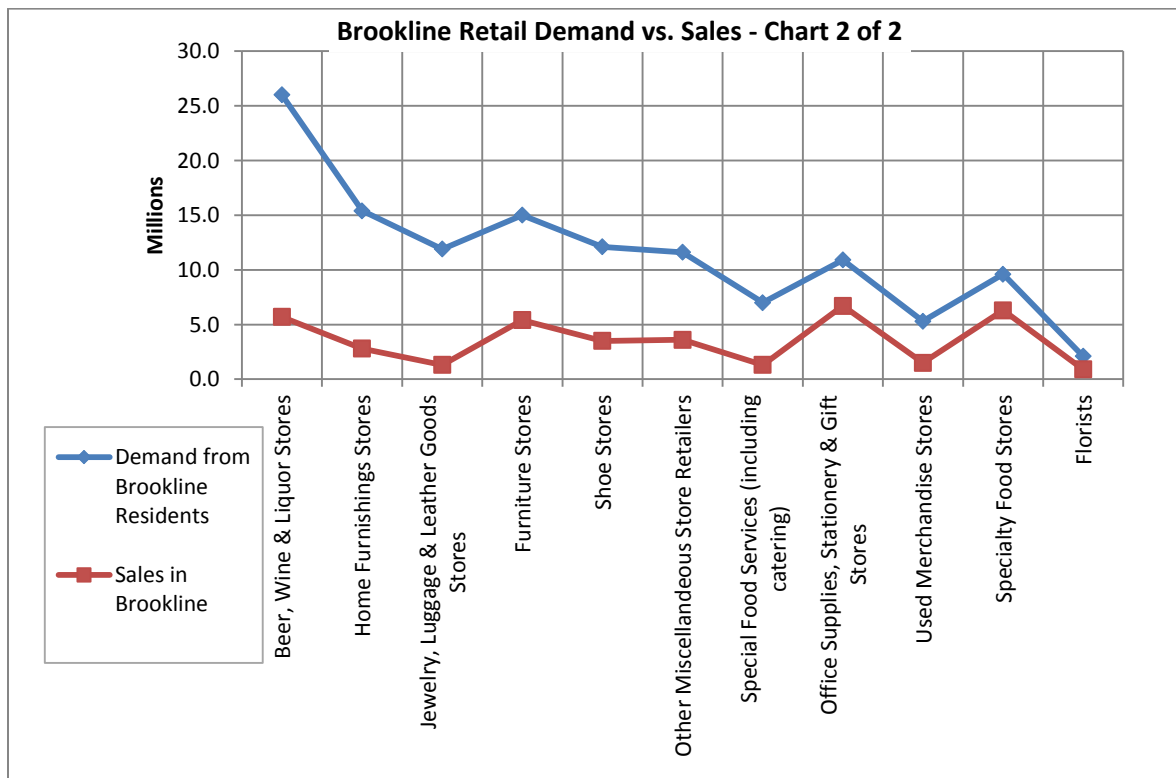


Figure 5-3b , Leakage and Surplus of Brookline Retail Sales, 2012, ESRI and Dun & Bradstreet

SECTION 6: RETAIL IS DIFFICULT

Navigating a Changing Landscape

Small business owners have a passion for their craft and many open their doors because they want to share that passion with the community. In Brookline, we are fortunate that so many small business owners have chosen to do so here. Unfortunately, there is not always strength in numbers. Retail is challenging for a number of reasons, most of which are not exclusive to Brookline. High rents, little to no control by the retailer of the types of businesses that locate next to each other, high marketing costs compared to national chain stores, and competition from growing online retail all combine to make life difficult for small business owners. Conversations with residential property owners and tenants revealed an exponential increase in the number of package deliveries filling up the mail rooms over the past few years – proof that internet shopping is also growing in Brookline.

Two dozen retail businesses in Coolidge Corner and Brookline Village estimate 10-20% reduced foot traffic in our larger commercial areas from 2012-2013. These retailers are reporting a 10-30% decline in both numbers of ticket sales and overall revenue over the same time period. Unfortunately, there is not enough pedestrian data over time that would quantify changing patterns or fewer people shopping in our commercial areas in this past year compared to a longer period of time. The Boston Region Metropolitan Organization's Central Transportation Planning Staff (CTPS) has a bicycle count database going back to 1974, but only one bicycle and pedestrian count is available for Brookline commercial areas since 1997²³.

Almost all retailers have seen a similar decline in their other stores in other communities, or with peers in their industry. Some of those businesses reporting flat sales have changed their product offerings, augmenting sales by travelling to special events throughout the region, and/or have added services (such as parties, speaker series) that help compensate for lost revenue. Others are resorting to reducing their employees' hours to balance the reduced overall revenue.

A few retailers are concerned that the decline in the number of customers in Brookline is above and beyond that of regional trends. In this past year, we have seen significant improvements and additional retail space open in nearby communities such as Fenway and Chestnut Hill/Newton. The Town of Brookline has also undertaken a series of parking meter changes. We know the landscape is constantly changing as evidenced by the number of residents who have been here for less than five years. Part of the impetus for this study was to gain a better understanding of these factors and other existing conditions in order to identify factors that we can influence.

Retail in Brookline Compared to Regional Trends

While we do not have conclusive information on whether the number of shoppers has changed in Brookline over the past few years, we can better understand how our retail sector is faring compared to our region as a whole. We studied 2004 and 2012 data from the Massachusetts Executive Office of Labor & Workforce Development (EOLWD) for the Town of Brookline and the Metropolitan New England City and Town Statistical Areas (NECTA) of Boston – Cambridge – Quincy, MA-NH area (see Figure 6-1 on the following page). Whereas the region has seen 5.6% less retail stores, the Town of Brookline has seen 10.4% less retail

²³Economic Development staff and a dozen resident volunteers conducted a pedestrian and bike count on Saturday, June 14th, 2014 and the peak hours (12-2 pm) saw a range of 1,600 to 3,200 pedestrians at various locations in Coolidge Corner over a two hour period. For counts from 1997 and before, see http://www.ctps.org/apps/bike_ped4/bike_ped_query.html

stores. Approximately half of the retail lost was in the clothing/clothing accessory industry; other Brookline retailers that closed included electronics/appliance stores and building material/garden stores.

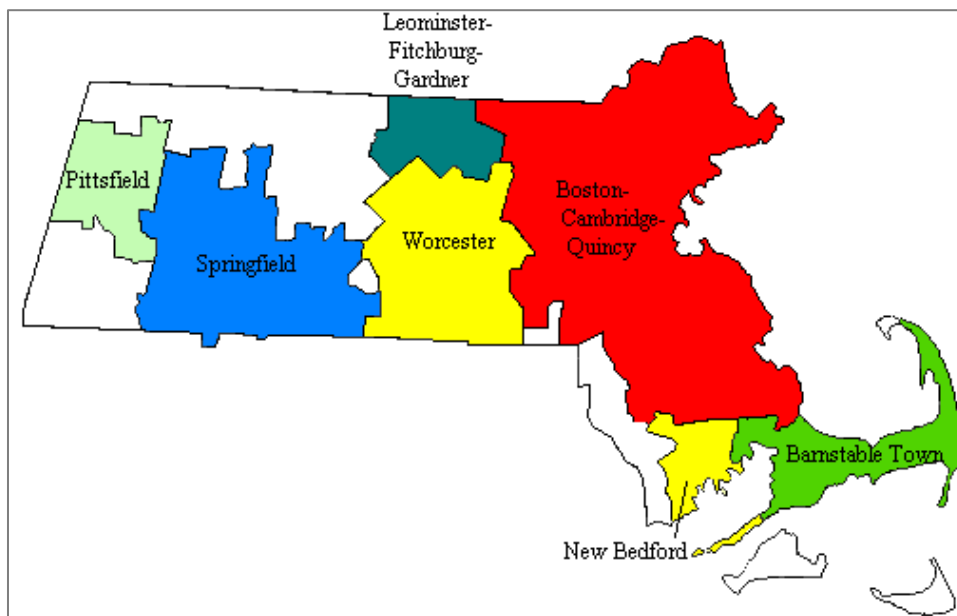


Figure 6-1: Metropolitan NECTA of Boston-Cambridge-Quincy, MA-NH area, EOLWD

Individual retailers have expressed concern that as the overall retail industry retracts, some blocks will no longer be attractive to window-shoppers, further reducing the likelihood that people will walk by their stores. This tipping-point can be seen in some neighborhoods like Washington Square and Davis Square (Somerville), which have earned a reputation as very vibrant commercial districts, but the number of retail stores is few and far between.

The previous section on buying power tells us that a decline in Brookline retail is not due to the ability or interest of Brookline residents to buy these goods; in fact, residents are going outside of Brookline to make some of these purchases. If macro trends such as increasing internet sales were the sole cause of these changes in shopping patterns, we would see these business types performing similarly to our region.

We wondered whether retail in Brookline was declining faster than the overall region due to our smaller-sized storefronts. When we analyzed only the retail industry categories most likely to locate in smaller spaces, Brookline's loss of retail stores from 2004 to 2012 was at a similar rate as Newton and Cambridge, but higher than Boston, Somerville, and the overall region. For the purposes of this report and as shown in Figure 6-2 below, "small format retail stores" includes home furnishings stores, electronics and appliance stores, lawn and garden equipment/supplies stores, specialty food stores, beer/wine/liquor stores, health and personal care stores, clothing and clothing accessories stores, sporting goods/hobby/book/music stores, general merchandise stores other than department stores, and miscellaneous store retailers (florists, office supply, stationery and gift stores, used merchandise stores, etc. We are excluding motor vehicle and parts dealers, furniture stores, building material and supplies dealers, grocery stores, gasoline stations, department stores, and nonstore retailers such as mail-order houses.

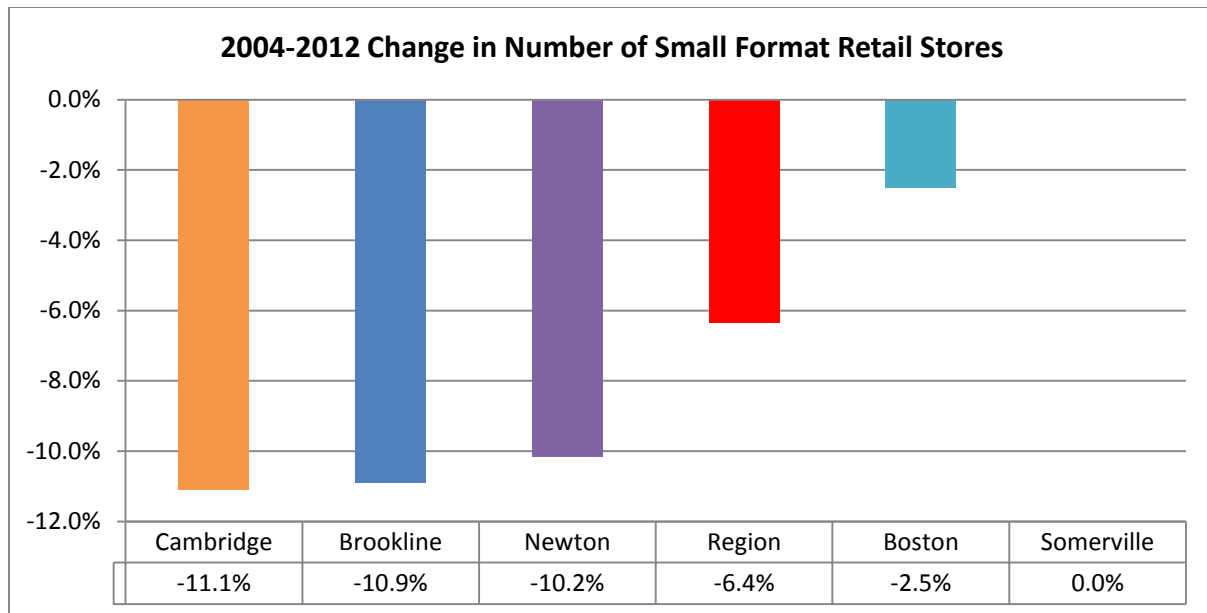


Figure 6-2: Loss of Small Format Retail Stores, Brookline Compared to other Municipalities and the Boston-Cambridge-Quincy, MA-NH Region, EOLWD

Individual retailers have expressed concern that as the retail industry retracts, some blocks will no longer be attractive to window-shoppers, further reducing the likelihood that people will walk by their stores. This tipping-point can be seen in areas like Washington Square and Davis Square (Somerville), which have earned a reputation as very vibrant commercial districts, but the number of retail stores is few and far between.

Parking

Other changes and emerging needs specific to Brookline revolve around parking. Many of the places the Committee visited provide ample parking that is easily found and long-term parking options, giving visitors piece-of-mind while they shop and dine. The answer to whether or not Brookline has adequate parking will vary depending on whom you ask, but one thing that many agree upon is that parking in town is not easy. Over the past four years, the Town has made several changes to the location and payment methods for parking in commercial districts. All of these changes were made in an attempt to leverage new technologies to make parking easier.

"There needs to be a new committee to oversee the parking meter oversight guys! Creating 15 minute spots need to have real meters! You can't be under the gun in the quick turnaround spots by CVS in the Centre street lot and fumble for another 15 minutes lining up with a million other folks at the pay on foot system. If you're gonna reinstate meters — do it intelligently."

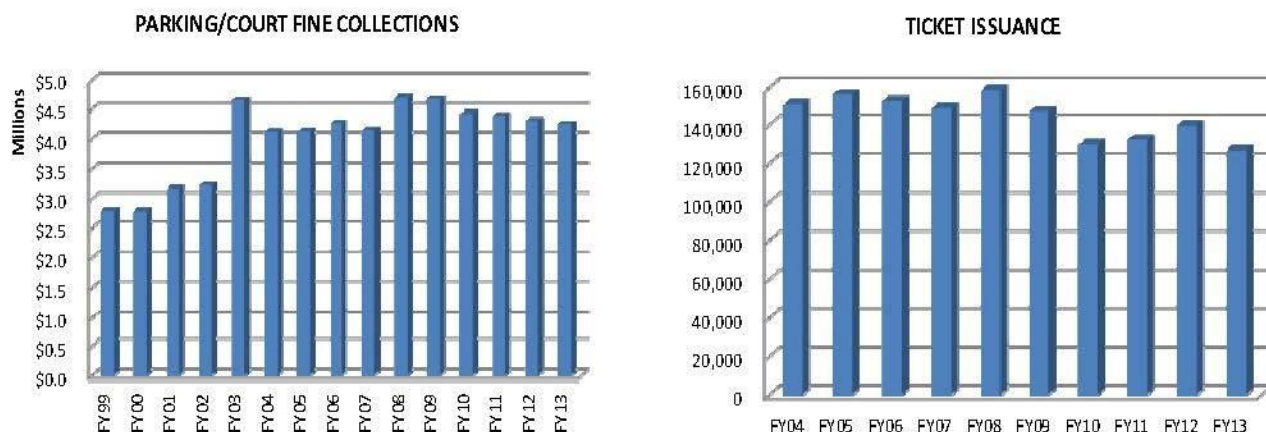
- Brookline Resident

However, these frequent changes also resulted in a perception that expired parking meters were being ticketed faster, generating a lot of confusion and angry residents, and visitors. During this same period, we saw a decrease in overall parking tickets. Some businesses believe this overall decrease in parking tickets is due to two major behavior shifts that negatively affect their business: (i) customers are no longer willing to risk any shopping time past their meter time; and (ii) customers have decided to shop where parking is "easier" - either at shopping centers with unlimited parking times or

It seems like all these businesses that are expected to pay taxes, high rents, fix the buildings they are in, etc., should be rewarded by the Town. Why not return some of that money to help with problems like parking or funding events?

—Brookline resident & commercial broker

online. 12% of Coolidge Corner customers report they come to the area less frequently than the last few years²⁴. The most common reasons cited were moving further away and parking (space availability, cost, and tickets). Additionally, a majority of the other commercial centers patronized by Coolidge Corner customers were ones with private parking availability (and no parking tickets).



While there is a significantly higher amount of parking fine revenue being collected than prior to the fine increases (the \$4.2 million estimate is \$1.2 million, or approximately 40%, higher than the average annual collections prior to the fine increases), there has been a decrease in issuance since the FY02 peak, when 204,000 tickets were issued. By FY04, there were 53,000 fewer tickets written. Since then, the number of tickets written has dropped to approximately 127,000 in FY13. This represents a decrease of 38% since the peak in FY02 and a 20% decline since FY08.

Figure 6 -3 Parking Fines and Ticket Issuance

As it relates to vibrancy, if businesses are seeking to expand their customer base, the Town should make every effort to make parking simple and predictable so that customers do not simply drive through our commercial centers on their way to shopping areas with easy and predictable parking options.

Services Replacing Retail

According to the Massachusetts Department of Labor, from 2004 to 2012, the number of Brookline retail businesses decreased by 10%. During that time, the number of service use businesses has increased by about the same amount, including auto repair, laundry and dry cleaning services, personal care such as hair and nail salons, funeral homes, membership organizations, social advocacy organizations, childcare businesses, and banks. Our 2013 store-front vacancy survey shows an overall mix of 55% service uses, 27% restaurants, and 18% retail stores. The Department of Labor predicts that our region will see an additional 1.4% decline in retail establishments from 2010 to 2020, but as we saw from 2004 to 2012, this may not be an accurate prediction for Brookline. Based on retailer trends, we expect to see more blurring between these categories, as more retailers offer social activities, lectures, etc.

Over recent years, we have seen less and less pedestrian traffic during the daytime. People are shopping more and more on the internet, often coming into my store only to ask us for ideas, compare items, and they take photos or write down the information — and we don't make the sale. As more and more retailers go out of business, are we headed towards a tipping point where we will only see service based businesses and restaurants?

—Coolidge Corner resident & business owner

²⁴ Coolidge Corner Customer Survey 2014

SECTION 7: OFFICE & MEDICAL OFFICE

We have 16,872 employees (part-time and full-time) who work in Brookline every day²⁵. 16,872 people in Brookline during the day who are able to shop, eat, and use our service businesses. 46% of these employees are in industry sectors most likely located in office or medical office spaces: Health Care and Social Assistance, Professional & Technical Services, Administrative Services, Information, Finance & Insurance, Real Estate, Rental and Leasing, and Other Services. For purposes of this report, we will separate Health Care & Social Assistance as “Health Care” employees²⁶ and the other sectors as “Office” employees.

Non-Medical Office Down

From 2001 to 2012, Office employees decreased from 3,589 to 2,326, or a loss of 1,263 employees. A couple of larger employers have moved some of their operations out of Brookline or consolidated operations in Brookline, creating some vacancies in the non-medical office market. For example, the New England Institute of Art pulled out of the 303 Boylston Street property, Brookline Bank moved its headquarters to downtown Boston, and Partners Healthcare consolidated some of its non-medical office space within Brookline. We also heard from one small, growing technology company that wanted to remain in the heart of Coolidge Corner, but could not find a large enough space that could compete in price with office space in the financial district and Cambridge.

What can Brookline do to keep innovation businesses like mine, or attract new start-ups? You can do four things:

- 1) Support the restaurants and retailers; it's what makes it cool to invite potential clients to Brookline.*
- 2) Get Hubway.*
- 3) Get rid of every other stop on the Green Line.*
- 4) Build larger floorplates of office space.*

—Small technology business owner that moved out of Brookline 18 months after this 2011 quote, after not being able to find large enough office space in the heart of Coolidge Corner.

Health Care Employment Up

During the same time period of 2001 to 2012, Health Care employees increased by 1,393 – from 2,828 to 4,221 employees - more than replacing the loss of office employees. This group includes offices of physicians/dentists and diagnostic laboratories, nursing and residential care facilities, and individual and family services. The Massachusetts Department of Labor projects a 15% to 25% growth in these jobs from 2010 to 2020²⁷. Unfortunately, this increased demand of health care cannot easily fit into all of the existing office space because of physical/structural differences between these types of uses. Medical office usually requires taller floor to floor heights and more parking than non-medical office space. Additionally, nursing and residential care facilities require significant building systems not found in existing office space.

As shown on Figure 7-1 on the next page, many of our Health Care employees are not directly adjacent to our retail areas. In addition to identifying new medical office space in close proximity to our core commercial areas (such as the long-awaited 2 Brookline Place Children's Hospital development), we need to explore, with the business community ways to encourage our existing medical office employees to shop, dine, and use services in our core commercial areas more often.

²⁵ MA Department of Labor 2013 Third Quarter, Average Employment and Wages by Industry, All Ownership.

²⁶ Child Day-Services excluded from this sector

²⁷ Brookline is located in the Metro/South West Investment Area (WIA), which includes Canton, Plainville, Hopkinton and Littleton. The Boston WIA is only the City of Boston. The range described here reflects the range between these two WIAs.

Map of Major Brookline Hospital, Assisted Living, & Medical Office Employers

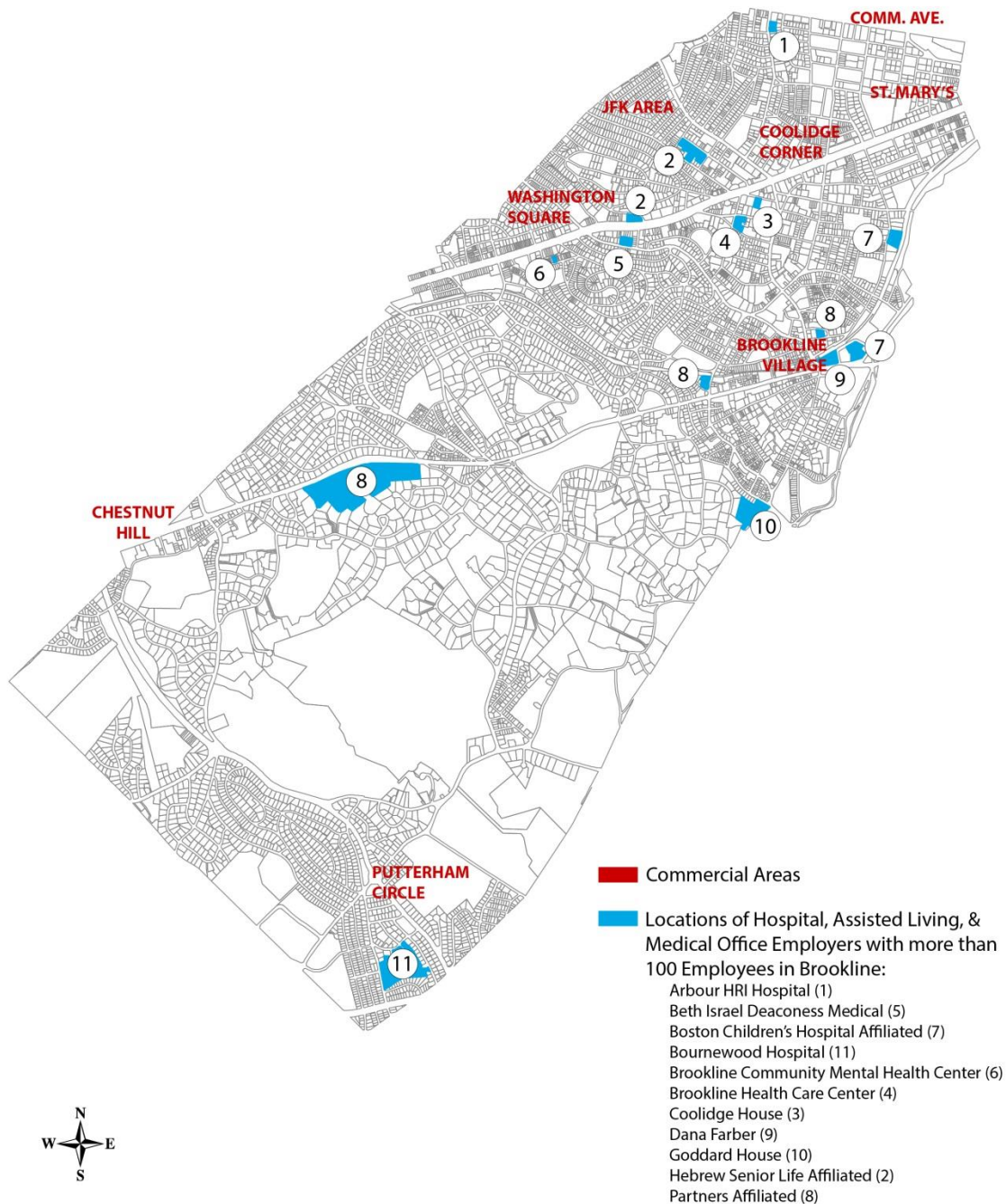


Figure 7-1: Major Brookline Assisted Living, Hospital and Medical Office Employers

SECTION 8: LEISURE & HOSPITALITY

Leisure and Hospitality is Up

According to the Massachusetts Department of Labor, the Brookline Leisure and Hospitality Industry saw a 21% increase in total jobs from 2001 to 2012. Within this industry, the Arts, Entertainment, and Recreation Sector experienced a 43% increase in number of jobs. Also in the Leisure and Hospitality Industry, Accommodation and Food Services saw a 17% increase in jobs. From Fiscal Year 2001 to 2009 (prior to a change in the local rooms tax rate), local rooms tax (and therefore accommodation revenue) increased by approximately 50%. Future projections (2010 to 2020) for the region's Accommodation Services is relatively flat;²⁸ however, Brookline currently has an additional 200+/- hotel rooms under permitting²⁹.

The Town of Brookline receives approximately \$1.3 million a year in hotel/motel excise tax (6% local tax) and \$900,000 a year in meals tax (0.75% local tax)³⁰. Therefore, the imputed total annual expenditures are approximately \$21.7 million a year in accommodations and \$120 million a year in food services. In 2012, for every \$100 spent on lodging by travelers, Massachusetts saw an additional \$87 spent on food service, \$27 on entertainment and recreation, and \$39 spent on general retail trade³¹. Using these statewide travel expenditure ratios and our known \$21.7 million in accommodations revenue as a baseline, we can estimate that travel expenditures make up 25.1% of our food service sales and only 2.1% of our general retail trade sales³². Similarly, we know that only 2% of Coolidge Corner customers live outside of the Greater Boston area³³.

Limited Visitor Information

Information about our visitors is extremely limited. Although we have many attractions in Brookline, our two National Historic Sites account for a significant percentage of our international and national visitors. The John Fitzgerald Kennedy National Historic Site alone has 15,000 visitors a year over six months from May to October. Additionally, the annual Coolidge Corner Arts Festival brings approximately 5,000 visitors from as far away as Delaware and Maine to Brookline³⁴. Anecdotally, our hotel operators see business travelers, tour groups, and visitors associated with the Red Sox, and extended families of residents and patients in the Longwood Medical Area. We also commonly accommodate visitors from the regional metro-area during events such as Open Studios or our Walking Tours, and we hear that it is common for clients to come to town for business meetings or doctors' appointments and then decide to stay longer for a meal or shopping. However, we do not have any Brookline-specific information on the travelers that contribute to the \$1.3 million in hotel and meals taxes to the Town every year.

Brookline is a Happening Spot

"Washington Square is hot as a pistol, I would rather be there than [Somerville's] Davis Square."

—Charles Perkins, owner of the Boston Restaurant Group Inc., a commercial real estate firm that specializes in selling and leasing restaurants, quoted in Boston Globe, March 2014

Visiting Again... Done with the Duck Tour

I will be visiting my daughter again in the next couple months, who lives in Cambridge. We've done the major Boston tourist activities, and I'm looking for something different. I love history and culture, and I saw in the paper that Brookline has these Walking Tours. What walks are coming up and when?

— Out of State Visitor

²⁸ Massachusetts Office of Labor and Workforce Development 2010-2020 long-term industry projections

²⁹ A fully permitted 130-room extended stay Hilton Homewood Suites is scheduled to start construction in summer 2014, and another 80 hotel rooms in Brookline, if permitted, would be part of the Cleveland Circle Cinema Theatre development.

³⁰ FY2013 Town of Brookline Financing Plan, page III-15, average FY 11 through estimated FY13

³¹ The Economic Impact of Travel on Massachusetts Counties 2012, prepared for the Massachusetts Office of Travel and Tourism by the U.S. Travel Association, September 2013

³² Using 2012 total sales of \$75.1 million sales in Full-Service Restaurants, Limited-Service Eating Places, and Drinking Places; \$404.8 million sales in Total Retail Trade, ESRI and Dun & Bradstreet 2012 Retail MarketPlace Profile for Brookline.

³³ Coolidge Corner Customer Survey 2014

³⁴ Organizers of Coolidge Corner Arts Festival

If visitors to Brookline help drive street activity and generate meals and hotel taxes, any next steps taken by the Study Committee and working groups should emphasize ways to understand and leverage the impact visitors have on our commercial areas. What can we do to make their visit easier and friendlier? How can we protect the identity of our commercial areas, while providing visitors with an interesting and unique experience? These are likely starting points for understanding this segment of the market. At the same time, better understanding of the needs and wants of our residents is also critical to ensuring we have the right mix of businesses. In the interim, suggestions from the community include: building a single online event calendar; building on a positive “green” identity (such as The Fireplace restaurant owner Jim Solomon’s desire for the First Green Restaurant Zone in Washington Square); allowing longer-term parking in limited locations; utilizing mobile technology to make parking easier, and creating an all-inclusive business map/directory to be displayed in the Town kiosks, and on the Town website.

If you are not familiar with the area, finding your way around Brookline can be challenging. Many of the directional signs for our cultural attractions, institutions, and commercial districts are undersized, weather-worn, and hard to find. Additionally, the Town has three, year-round information kiosks in Coolidge Corner and Brookline Village and four seasonal kiosk spaces connected with our Hubway Stations; however, their use is restricted to advertising for non-profit, community events. Many of the other communities the Committee visited featured enhanced wayfinding options including signs and, in some cases, staffed information kiosks. The Study Committee identified improved wayfinding as a short-term initiative, as there are simple, low-cost changes that can improve a visitor’s experience.

SECTION 9: IMPLEMENTATION STRATEGIES

This report concludes our formal study on commercial vibrancy. However, the various initiatives that have emerged as the needs of our business districts evolve will continue, and Economic Development staff will continue to work with all stakeholders in town to develop innovative ways to support Brookline's commercial areas. Active, vibrant commercial areas are critical to the economic stability of the town, and we must position ourselves to be able to react nimbly to changes in the local and national retail industry as they occur.

1) CAPTURE MORE OF THE EXISTING RETAIL DEMAND

- a. Demographic groups should be studied further, including: residents who have been here for less than five years, the 35 and under demographic, households in which all adults are working, and visitors. The Economic Development Division is sharing the research in this report with various business associations so they can better target their individual research and marketing programs. Other phases of study might include focus groups with particular demographics or other additional research, the costs of which should be shared with the business community.
- b. Improve the customer experience based on the 2014 Coolidge Corner Customer Survey: parking, public spaces, readily available business information, and more events.

2) SUPPORT FOR OUR BUSINESSES

- a. Economic Development is completing a business database for Town-wide use in communications, and to assist business organizations in reaching out to individual businesses. Any business association that creates a directory inclusive of all businesses in that area can be displayed permanently within our kiosks. The Town visitor website can also link to online versions of these directories. Finally, Economic Development recommends the Town join the Greater Boston Convention and Visitors Bureau. Membership will provide the Town an opportunity to advertise our cultural and historic attractions to regional visitors.
- b. A commercial realtor and a local business manager agreed to start a commercial property owner network. This network would provide a way for existing retailers and landlords to discuss retail mix, rents, etc. The group will also be able to work together to gain support for ideas to present to the Town, such as spending money at restaurants and stores in lieu of paying parking tickets, availability of long-term parking, etc.
- c. More daytime population is crucial to the long-term health of our commercial areas. Based on the locations of our existing largest employers, underlying market conditions point towards job growth outside of our core commercial areas. Economic Development will continue to look for sites where new or expanded larger-sized office and health care spaces could be located adjacent to our commercial areas (i.e., 2 Brookline Place, Durgin Garage).

3) COMMUNITY EVENTS

Residents and businesses need to work together towards special events, but they will need organizational help and seed funding to get started:

- a. Economic Development is working with the Town's Information Technology Department to completely revamp the Town visitor website, including a new Town-wide event calendar.
- b. Two business associations are hiring part-time staff and/or interns to assist with their needs, including event coordination. These staff people are also working on fundraising for these associations, and some of the funds will be used to support new events.
- c. Economic Development and Parks & Open Space recently held a meeting in Coolidge Corner with representatives from neighborhood associations, Brookline Community Aging Network, and Town Meeting Members to discuss the potential for enhancing our existing public- and privately-owned open spaces in Coolidge Corner. This meeting resulted in some immediate

maintenance improvements and identification of some potential public-private partnerships³⁵.

- d. Some commercial areas are exploring forming a monthly series of events, to be led by business associations. Some of these events are likely to include later business hours to test current shopping habits of nearby residents. Retailers in Jamaica Plain, for example, have later hours and special events on the first Thursday of every month.
- e. Explore the feasibility of a large, Town-wide event in commercial areas to have a regional draw. This should be led by an existing arts/cultural group. For example, the Coolidge Corner Arts Festival is a curated art show that already draws people from Delaware to Maine. During the writing of this report, the Coolidge Corner Arts Festival joined forces with the Brookline Arts Commission and Brookline Open Studios to bookend a six-week season of arts events throughout Town, called "ArtsBrookline".
- f. Economic Development will prioritize staff time and the revolving fund for Special Events on those events that are managed and staffed outside of Town Hall and have a higher ratio of privately raised funds. This policy will require significantly more volunteer time if events like the First Light Festival are to continue. Economic Development recommends that as part of this shift, to the extent possible, annual public funds (\$10,000/year) be restored to match 25% of the annual privately raised funds in the revolving fund.

³⁵ For more detailed information, see <http://www.brooklinema.gov/DocumentCenter/Home/View/435>